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FILE

LAW OFFICES
KOTEEN & NAFTALIN
1150 CONNECTICUT AVENUE
WASHINGTON, D.C. 20036

BERNARD KOTEEN
ALAN Y. NAFTALIN
RAINER K. KRAUS
ARTHUR B. GOODKIND
GEORGE Y. WHEELER
HERBERT D. MILLER, JR.
MARGOT SMILEY HUMPHREY
PETER M. CONNOLLY
CHARLES R. NAFTALIN

M. ANNE SWANSON
GREGORY C. STAPLE
OF COUNSEL

TELEPHONE
(202) 467-5700
TELECOPY
(202) 467-5915
CABLE ADDRESS
"KOBURT"

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JUN 17 1992

Federal Communications Commission
Office of the Secretary

June 17, 1992

Donna R. Searcy, Secretary
Federal Communications Commission
Washington, DC 20554

Re: CC Docket No. 92-77

Dear Ms. Searcy:

Transmitted herewith, on behalf of TDS Telecommunications Corporation, are an original and four copies of its reply comments in the above-referenced proceeding.

In the event that there are any questions concerning this matter, please communicate with this office.

Very truly yours,

Margot Smiley Humphrey
Margot Smiley Humphrey

Enclosures

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TDS shares USTA's concern that customer confusion will increase if some companies decide to share validation and billing information and others do not. Moreover, TDS Telecom believes that subscribers to TDS telephone companies are not familiar with

the billing practices of Alternative Operator Service (AOS) providers. Such subscribers will not consider their interests well served by a requirement that exposes them to multiple bills and unexpected higher rates for calls they wish to have completed by AT&T or the carrier issuing the card they have chosen to use. Many rural subscribers use AT&T cards because AT&T serves all rural areas, while other carriers may not choose to serve rural communities directly. Such customers are accustomed to dialing 0+ ten digits for interexchange calls, which are then billed by the local telephone company. They have no wish to enable companies with which they have no customer relationship to appropriate their business because the owner of a hotel or the premises where a pay telephone is installed has chosen to deal with an AOS provider for the hotel or premise owner's benefit. The resulting customer confusion and unwanted billing arrangements would exact a high cost from the public in order to help AOS providers. The Commission statutory role, however, is to advance the public interest, not to equalize competition among competitors.¹

Even the questionable competitive benefit to AOS providers may not be realized. NTCA predicts (n. 4) that many or most interexchange carriers will refuse to share billing and validation data with their competitors. This prediction seems correct, particularly since customers have complained in the past

¹Hawaiian Tel. Co. v. FCC, 498 F. 2d 771 (D.C. Cir. 1974).

about receiving very high bills from AOS providers for calls placed with credit cards issued by other companies.

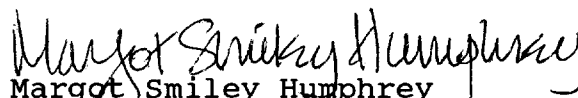
If AT&T and other interexchange carriers with 0+ cards refused to share their billing and validation data, the proposal would force cardholders to dial an unnecessary access code or telephone number. As USTA points out, in those circumstances an interexchange carrier would have to refuse attempted 0+ calls by its own cardholders on public telephones presubscribed to that carrier's service. This mandatory blocking would burden the carrier, the presubscribing customer and the cardholder making the call in exercising the precise choice that equal access is designed to ensure. Moreover, state commissions may well place customer convenience above the Commission's desire to handicap in favor of AOS providers. Further customer confusion would then result, since different dialing requirements would apply for interstate and intrastate calls. The only beneficiaries would be competing interexchange carriers, who would no longer compare unfavorably with the proprietary card issuer in terms of dialing convenience at presubscribed telephones.

NTCA correctly points out that another concern raised by the Commission's proposal to regulate AT&T's proprietary 0+ calling card terms is that it would "present an unsettling precedent further impacting the benefits of LECs' calling card operations." NTCA explains that LEC calling cards offer important benefits to their customers.

The adverse effects of the proposal for customers are clear -- confusion and either exposure to higher rates charged by providers with whom they have not chosen to deal or needless dialing inconvenience. The potential beneficiaries are AT&T's competitors, not the public. Thus, the Commission should reject the proposal to require sharing of billing and validation information as a condition for providing convenient 0+ access for credit card calls on presubscribed telephones.

Respectfully submitted,

TDS TELECOMMUNICATIONS CORPORATION


/s/ Margot Smiley Humphrey
Margot Smiley Humphrey

KOTEEN & NAFTALIN
1150 Connecticut Avenue NW
Washington, DC 20036
(202) 467-5700

Its Attorneys

June 17, 1992

CERTIFICATE OF SERVICE

I, Laura A. Nowak, a secretary in the law firm of Koteen & Naftalin, hereby certify that copies of the foregoing Reply Comments of TDS Telecom have been sent by First-Class United States mail, postage prepaid, this 17th day of June, 1992, to the following:

Cheryl Tritt, Chief
Common Carrier Bureau
Federal Communications
Commission
1919 M Street NW, #500
Washington, DC 20401

James Schlichting
Chief, Policy & Program
Planning Division
Federal Communications
Commission
1919 M Street NW, #544
Washington, DC 20401

Gary Phillips
Policy & Program Planning
Division
Federal Communications
Commission
1919 M Street NW, #544
Washington, DC 20401

Andrew D. Lipman
Jean L. Kiddoo
Ann P. Morton
Swidler & Berlin, Chartered
3000 K Street NW, #300
Washington, DC 20007

Albert H. Kramer
Robert F. Aldrich
Keck, Mahin & Cate
1201 New York Avenue NW
Penthouse Suite
Washington, DC 20005

Floyd S. Keene
Michael T. Mulcahy
Room 4H74
2000 West Ameritech Ctr. Drive
Hoffman Estates, IL 60195

Randolph J. May
Kenneth G. Starling
David A. Gross
Elizabeth C. Buckingham
Sutherland, Asbill & Brennan
1275 Pennsylvania Avenue
Washington, DC 20004-2404

Francine J. Berry
Mark C. Rosenblum
Peter H. Jacoby
American Telephone & Telegraph
Company
Room 3244J1
295 North Maple Avenue
Basking Ridge, NJ 07920

Danny E. Adams
Brad E. Mutschelknaus
Jane A. Fisher
Wiley, Rein & Fielding
1776 K Street NW
Washington, DC 20006

Mary J. Sisak
Donald J. Elardo
MCI Telecommunications Corp.
1801 Pennsylvania Avenue NW
Washington, DC 20036

Gail L. Polivy
 Daniel L. Bart
 GTE Service Corporation
 1850 M Street NW, Suite 1200
 Washington, DC 20036

David Cosson
 L. Marie Guillory
 Steven E. Watkins
 National Telephone Cooperative
 Association
 2626 Pennsylvania Avenue NW
 Washington, DC 20037

William B. Barfield
 Richard M. Sbaratta
 Helen A. Shockey
 South Central Bell Telephone
 Company & Southern Bell
 Telephone & Telegraph Co.
 1155 Peachtree Street NE
 Suite 1800
 Atlanta, GA 30367

James P. Tuthill
 John W. Bogy
 140 New Montgomery Street
 Room 1530-A
 San Francisco, CA 94105

W. Audie Long
 Kenneth F. Melley, Jr.
 9311 San Pedro, Suite 300
 San Antonio, Texas 78216

Greg Casey
 Senior Vice President
 Regulatory Affairs
 Jane A. Fisher, Director
 6707 Democracy Blvd.
 Bethesda, MD 20817

Durward D. Dupre
 Richard C. Hartgrove
 John Paul Walters, Jr.
 Southwestern Bell Telephone
 Company
 1010 Pine Street, Room 2114
 St. Louis, MO

Glenn B. Manishin
 Jeffrey Blumenfeld
 Blumenfeld & Cohen
 1615 M Street NW, Suite 700
 Washington, DC 20036

Lawrence E. Sarjeant
 Randall S. Coleman
 US West Communications, Inc.
 1020 19th Street NW Suite 700
 Washington, DC 20036

John A. Ligon
 Law Office of John A. Ligon
 128 Mount Hebron Avenue
 Upper Montclair, NJ 07043

Douglas N. Owens
 4705 16th Avenue NW
 Seattle, Washington 98105

Larry Moreland, President
 c/o Caterpillar, Inc.
 600 W. Washington St. AD341
 East Peoria, IL 61630

Rich L. Anthony
 Quest Communications
 6600 College Boulevard
 Suite 205
 Overland Park, Kansas 66211

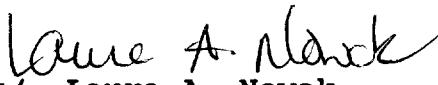
John M. Goodman
 1710 H Street NW
 Washington, DC 20006

Linda Kent
 900 19th Street NW, Suite 800
 Washington, DC 20006-2105

Douglas F. Brent
 10000 Shelbyville Road
 Louisville, Kentucky 40223

Mitchell F. Brecher
 Dow, Lohnes & Albertson
 1255 23rd Street NW
 Washington, DC 20554

Leon M. Kestenbaum
H. Richard Juhnke
1850 M Street NW 11th Floor
Washington, DC 20036


/s/ Laura A. Nowak
Laura A. Nowak